

KANSAS RACING AND GAMING COMMISSION

MINUTES – OCTOBER 12, 2018

CALL TO ORDER (A.)

Chairman Brandon Jones called the October 12, 2018 meeting to order at 10:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioners David Moses, Larry Turnquist, and Dave Myres were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Director of Electronic Security and I.T. Dennis Bachman, Director of Security Joe Herridge, Recording Secretary Sarah Lynch-Chaput, and other staff.

MOTION, APPROVE AGENDA (B.)

Commissioner Turnquist (Myres) moved to approve the agenda. Motion carried unanimously.

MOTION, APPROVE SEPTEMBER 14, 2018 MEETING MINUTES (C.1.)

Commissioner Myres (Turnquist) moved to approve the minutes of the September 14, 2018 meeting. Commissioner Moses abstained. Motion carried with three ayes.

MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Turnquist (Moses) moved to approve the consent agenda. Motion carried unanimously.

LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Bo Holeman, Director of Security, reported:

- September 2018 revenue numbers compared to September 2017:
 - Total gaming revenue increase of 1.44%
 - Total slot revenue down 3.30%
 - Table games revenue up 41.83%
- Past Promotions and Events:
 - EnTranced Comedy Show, October 6th
- Upcoming Promotions and Events:
 - Earn & Eat Mondays
 - Dollar Deal Sundays
 - Ronnie Milsap, October 13th
 - Scotty McCreery, October 27th
 - The Oakridge Boys, November 29th

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
STAR
(E.2.a.)

Jeff Babinski, General Manager, reported:

- Kansas Star has entered into an agreement with Wichita State University to sponsor volleyball, basketball, women's basketball, softball, and baseball. Commissioner Moses noted that he is not personally involved in this contract.
- September 2018 revenue numbers compared to September 2017:
 - Admissions down 3.8%
 - Total gross gaming revenue down 2.2%
 - Slot coin-in down 1.3%
 - Slot hold flat
 - Table games drop down 3.4%
 - Table games hold flat
 - Poker revenue down 24.1%
- Past Events and Promotions:
 - Jon Langston, September 12th
 - Asian Variety Show, September 22nd
 - Loverboy, September 29th
 - Adam Hambrick, October 1st
- Upcoming Events and Promotions:
 - Midwest Beerfest, October 13th
 - Evolution Fighting Championship, October 20th
 - National Final Steer Roping, November 2nd and 3rd
 - Cirque Musica Holiday – Wonderland, December 1st

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO AT
KANSAS SPEEDWAY
(E.3.a.)

Dave Rice, Compliance Manager, reported:

- September 2018 revenue numbers compared to September 2017:
 - Total gaming revenue was \$12.2 million, an increase of \$208,000 or 1.7%
 - Table games revenue was flat at \$1.4 million
 - Slot revenue was \$10.8 million, an increase of \$207,000 or 2.0%
- September Events and Promotions:
 - Labor Day mystery bonus
 - Table games Crazy Eights promotion
 - Chiefs blanket giveaway
 - Kansas Lottery scratch ticket giveaway

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
CROSSING CASINO
(E.4.a.)

Doug Fisher, General Manager, reported:

- September 2018 revenue numbers compared to September 2017:
 - Admissions decreased 7.2%
 - Net slot win increased 25.6%
 - Net table games win decreased 22.0%
 - Net gaming revenue increased 19.9%
- Past Events and Promotions:
 - September Thursdays - \$5,000 Cash Giveaway
 - September Fridays – Polaris Ranger ATV Giveaway
 - September Saturdays - \$15,000 Cash Giveaway
 - Man Cave Giveaway, September 1st
 - Walkout MMA, September 15th
- Upcoming Events and Promotions:
 - October Fridays – Smash and Grab featuring \$5,000.00 weekly prize
 - BoStyx, Boston and Styx Tribute Show, October 13th
 - VIP Blackjack Tournament, October 20th
 - VIP Slot Tournament, October 21st
 - Quiet Riot, October 27th
 - World Class Revolution Wrestling, November 3rd

COMMISSION ITEMS –
OLD BUSINESS
(F.)

There were no old business items.

COMMISSION ITEMS –
NEW BUSINESS
(G.)

There were no new business items.

PUBLIC COMMENTS
(H.)

John Dominelli, Founder and Owner of NRT Technology, spoke on behalf of Kirk Sanford and the merger of NRT Technology and Sightline.

STAFF REPORTS
(I.1.a. and I.2)

Sarah Lynch-Chaput, Legal Assistant, reported on the Voluntary Exclusion Program statistics for the month of September 2018.

Executive Director Brownlee reported:

- KRGK has hired three agents that will be starting at the end of October 2018. This will fill the open agent positions in the Mulvane and Kansas City offices.

Dodge City recently lost an agent, and the agency will be working on filling this position.

- o The next commission meeting is scheduled for November 16, 2018 at 10:00 a.m. in Topeka.

DISCIPLINARY REVIEW
PROCESS
(J.1)

A disciplinary proceeding was held in the matter of KRGC case 2018-3005 (Stephan Schwab). The commission reviewed evidence and heard statements from Enforcement Attorney Michelle Neis. Respondent Stephan Schwab was not present.

MOTION, EXECUTIVE
SESSION
(J.1)

Commissioner Turnquist (Moses) moved to go into executive session for the purpose of deliberating KRGC case 2018 – 3005 (Stephan Schwab). Only the commissioners were to be included in the executive session. The total time for the executive session was anticipated to be five minutes, until 10:35 a.m. No action is to be taken in executive session, and the subject discussed is to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 10:30 a.m.

RECONVENE

The commission meeting returned to open session at 10:35 a.m. with all members present.

MOTION TO UPHOLD
DRB'S
RECOMMENDATION
(J.1)

Commission Moses (Turnquist) moved to uphold the Disciplinary Review Board's findings of fact, conclusions of law, and sanction issued in KRGC case number 2018-3005 in the matter of Stephan L. Schwab. Motion carried unanimously.

MOTION, EXECUTIVE
SESSION; ATTORNEY-
CLIENT PRIVILEGE
(K.2)

Commissioner Myres (Turnquist) moved that the Commission go into executive session for the purpose of confidential attorney-client privileged communication relating to gambling machine seizures, forfeitures, and miscellaneous legal matters. Those included in the executive session, in addition to the commissioners, were the executive director and general counsel. The total time for the executive session was anticipated to be eight minutes until 10:45 a.m. No action is to be taken in executive session, and the subject discussed is to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the

meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 10:37 a.m.

RECONVENE

The commission meeting returned to open session at 10:45 a.m. with all members present.

MOTION, EXECUTIVE
SESSION; CONFIDENTIAL
FACILITY MANAGER
FINANCIAL
INFORMATION
(K.1)

Commissioner Turnquist (Moses) moved that the Commission go into executive session for the purpose of discussing confidential facility manager financial information related to Kansas Star Casino, LLC. Those included in the executive session, in addition to the commissioners, were the executive director; general counsel; director of administration, finance, and audit; Todd Allen, auditor; and Adrian Perez, managing auditor. The total time for the executive session was anticipated to be ten minutes until 11:00 a.m. No action is to be taken in executive session, and the subject discussed is to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 10:50 a.m.

RECONVENE

The commission meeting returned to open session at 11:00 a.m. with all members present.

MOTION, FINANCIAL
TRANSACTION OF BOYD
GAMING
(K.1)

Commissioner Moses (Turnquist) moved that the Commission approve the financial transaction of Boyd Gaming, the facility manager of Kansas Star Casino, LLC with the understanding that Kansas Star is not being used as collateral for this transaction, and that the Commission does not believe this will affect the financial stability of Boyd Gaming. The motion carried with three ayes, and one no (Myres).

MOTION, EXECUTIVE
SESSION; BACKGROUND
REPORTS
(K.3)

Commissioner Myres (Turnquist) moved that the Commission go into executive session for the purpose of deliberating on license applications, including reviewing confidential background reports. Those included in the executive session, in addition to the commissioners, were the executive director; general counsel; director of security; Darin Altenburg, enforcement agent; and DJ Lopez, enforcement agent supervisor. The total time for the executive session was anticipated to be thirty minutes until 11:35 a.m. No action is to be

taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 11:05 a.m.

RECONVENE

The commission meeting returned to open session at 11:35 a.m. with all members present.

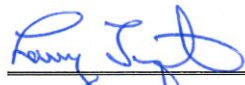
MOTION TO DENY,
CONDITIONALLY
APPROVE, APPROVE
RECONSIDERATION,
TABLE, AND APPROVE
LICENSE APPLICATIONS
(L.1)

Commissioner Turnquist (Myres) moved to *deny* two license applications, *deny the request for reconsideration* of one license application, *table* one license application, and *approve* the remaining 200 license applications from the October 12, 2018 list of background reports referred to the commission for action. Motion carried unanimously.

ADJOURN
(M.)

Commissioner Myres (Turnquist) moved to adjourn the meeting. Motion carried unanimously. The meeting was adjourned at 11:40 a.m.

SUBMITTED BY:



Larry Turnquist
Secretary

APPROVED BY:



Brandon Jones
Chairman